

## **METHODOLOGY BY TYPE OF LONG TERM CARE FACILITY**

Projected costs for each specific facility are next grouped by category and peer group.

### **Freestanding Nursing Facilities (NF-A and NF-B)**

Freestanding nursing facilities are first categorized being either level A or B. Then, level B facilities are peer-grouped by bed size and location. Level A facilities are peer-grouped by location only. Finally, reimbursement rates for each peer group for both the level A and B categories are established by using the median projected cost.

### **Distinct Part Nursing Facilities-Level B (DP/NF-B)**

These facilities, which are distinct parts of acute care hospitals, are the one category not broken down into peer groups. All facilities comprising this category are paid a rate set at the lower of the individual facility's projected cost or the median projected cost for the category. Facilities with less than 20 percent Medi-Cal utilization are excluded from the establishment of the median projected cost.

### **Intermediate Care Facilities for the Developmentally Disabled (ICF/DD), ICF/DD-Habilitative, and ICT/DD-Nursing**

These facilities are peer-grouped by level of care and bed size. Rates for each peer group are set at the 65<sup>th</sup> percentile, as opposed to the median, of the group's projected facility costs, as a result of a court settlement in 1990. The basis for using the 65<sup>th</sup> percentile is the typically high Medi-Cal census.

### **State Developmental Centers**

Beginning in 1991, these facilities, which are operated by the State Department of Developmental Services, are reimbursed their costs incurred for providing nursing services to developmentally disabled Medi-Cal recipients.

### **Subacute Care**

Subacute care providers are grouped into two statewide peer groups, one being hospital-based providers, and the other being freestanding nursing facility providers. These peer groups are further broken down into ventilator and non-ventilator-patient reimbursement categories.

Providers comprising both peer groups are reimbursed their projected costs up to the median, regardless of whether reimbursement is for ventilator or non-ventilator patients.

### **Pediatric Subacute Care**

Reimbursement for pediatric subacute care services is based on a model, since historical cost data are currently not available. Peer groups are based on whether the subacute unit is part of a hospital-based nursing facility or a freestanding nursing facility. Rates also differ according to whether the patient is ventilator dependent or not.

